

OVERVIEW

MANSFIELD TOWNSHIP SCHOOL DISTRICT

MARCH 11, 2014 REFERENDUM

The Board of Education of Mansfield Township will present a bond referendum to the voters on March 11, 2014 seeking authorization to undertake comprehensive facilities health, safety and security improvements and upgrades at the school. This overview describes those improvements and addresses common questions about the referendum.

WHAT PROJECTS ARE INCLUDED IN THE REFERENDUM?

- **HVAC upgrades**
 - Install a new DDC control system
 - Install new unit ventilators in both the 1962 building and 1976 addition and install new ventilation in the 1962 building toilet rooms
- **Boiler, roof, lighting, window, fire alarm system, clock system and door replacement**
 - Install new boilers and remove all asbestos in the boiler room
 - Replace entire building roof with new modified bituminous membrane roofing
 - Install high efficiency lighting in corridors throughout the school
 - Install new windows in the 1962 building and fixed glazing over cafeteria
 - Install new fire alarm system
 - Install new clock system
 - Replace numerous exterior and interior doors and/or door hardware throughout the school building
- **Toilet room renovations**
 - Install new plumbing, fixtures and tiling for toilet rooms in the 1962 building
 - Construct new toilet room in nurse's office
- **Front entrance security improvements**
 - Create secure vestibule system at front entrance of the school
- **Kitchen upgrades**
 - Install new freezer, refrigerator, cook top and dishwasher
 - Install new exhaust for dishwasher
- **Cabinetry/ceiling upgrades**
 - Install new cabinetry in classrooms in 1962 building and 1976 addition
 - Replace ceiling in Library, Music Room and corridors throughout the school
- **Site improvements**
 - Repave roadway to back of the school, reconstruct parking lot and school entrance sidewalks, replace pad over oil tank and install electric line to sign in front of the school
- **Internal reconfiguration/upgrades**
 - Replace existing water fountains in 1962 building
 - Install new sinks in Science and Art Rooms
 - Reconfigure music practice rooms
 - Improve sound insulation between classrooms in 1962 building
 - Install new domestic water treatment system
- **Construction of a new maintenance/storage building**
 - Install new storage building adjacent to existing storage building

WHY ARE THE PROJECTS NECESSARY?

Maintaining our school building for current and future use is a basic responsibility of the District. Our students need a healthy, safe atmosphere for learning. The Board of Education annually budgets for ongoing maintenance and strategic replacements, however these projects

are too expensive to fund within a single year. In order for the District to accomplish these projects, it would take over 20 years to save enough capital to complete them, which would divert funds from the operating and teaching budgets. For a major expenditure of this size, the district can only raise the funds by borrowing the money through the issuance of long term debt.

Highlights of the projects are:

- **Roofing:** The existing roof is beyond the warranty period. The single ply roof has areas where the seams or flashings have failed. Once the district installs a new roof as part of this project, the roof will be under warranty for the next 20 years with an option to extend to 30 years. The costs for repairs will be covered by the manufacturer. With a new multi-ply roof, the roof will be capable of future solar panel installation if the district decides to install panels.
- **Boilers:** The existing boilers are past their useful life and it is difficult to obtain parts for the boilers. New boilers will be much higher efficiency, reducing fuel costs to heat the building every winter. With new controls throughout the building, the District will see additional cost savings with proper night setbacks, and maintaining temperatures throughout the building.
- **Unit Ventilators:** Classroom unit ventilators in the original building along with the 1976 addition will be replaced. Similar to the boilers, the age of the units prohibit obtaining repair parts. Without proper operating unit ventilators, there are significant temperature swings in the classrooms making it uncomfortable for students. And without proper operating dampers in the units, it is questionable if the proper amount of required fresh air is being delivered to the building.
- **Lighting:** Lighting in the corridors will be replaced with new more efficient fixtures. The new fixtures will use lamps that require much less electricity to deliver the same lighting foot-candles, reducing operating costs for the District.
- **Toilet Room Renovations:** The toilet rooms in the original building have passed their useful life. The fixtures and ventilation systems are in need of repair. Upgrades will bring the rooms into today's standards.
- **Other Projects:** It is expected that there will be cost and/or functional efficiencies in bidding and completing some of the smaller projects envisioned along with the larger projects highlighted above. Additionally, all projects will receive state subsidies that may not be available in the future.

WHY ARE THE PROJECTS BEING PROPOSED NOW?

- Most of the projects that are proposed to be replaced are past their useful lives. Others will make the school more functional and energy efficient. These projects are essential to the operation of our school.
- The District's existing debt will be paid off as these new bonds come on. As a result of this timing, we are able to undertake these projects within the current tax rate for debt service.
- The State has awarded aid to the project equaling 44.16% of the project costs (including 44.16% of the interest on the bonds). This aid will be provided in the form of annual "Debt Service Aid" payments, to be paid by the State in each year. As a result of the State aid, the "local share" of the project is reduced to 55.84% of the project costs. This State aid can only be received if the referendum is approved by the voters. Additionally, future funding is unknown, based on past State practices.
- Current borrowing rates are at historic lows.
- By financing the projects, the District will avoid costly "band-aid" fixes in future budgets.

IS THE STATE PAYING FOR ANY OF THE PROJECTS?

Yes. The State has agreed to pay for 44.16% of the costs of the projects. The State will be providing such funding through "debt service aid". Accordingly, the State has agreed to pay 44.16% of the debt service on the bonds to be issued to finance the roof project.

This State funding is only available if the voters approve the bond referendum on March 11, 2014. It should be noted that based on past State practices, the State has not fully funded debt service aid every year. Currently, debt service aid is being funded at 85% of the State's actual share. Even with this reduction, the Board estimates that all projects can be funded within the current tax rate for debt service. The final, actual tax impact will be passed on exactly as the final State funding actually occurs.

WHAT IS THE TOTAL CAPITAL COST OF THE PROJECT?

The estimated total project cost is \$6,685,350. This number is an "all in" capital cost, including all construction and related costs including all architectural, engineering, legal, accounting and debt incurrence costs of issuance. The State has committed to funding 44.16% of this amount if the referendum passes, the rest would be paid through local tax collection.

WHAT IS THE ESTIMATED TAX IMPACT OF THE PROJECTS?

The project will be financed with bonds to be paid back over an estimated (20) year period. The projected tax impact assumes current interest rates plus a cushion in the event that rates move up by the time the bonds are sold. Based upon these assumptions, it is projected that **the tax impact will be within the current taxes paid for debt service – no additional tax will be needed.**

WHEN WILL THE BOARD PRESENT THE PROPOSED PROJECTS TO THE VOTERS?

The Board will present the proposed project to the School District voters at a March 11, 2014 special school election. The polls will be open from 2:00 p.m. to 9:00 p.m. at the Municipal Building (Districts 1, 2, & 3) and at the DPW Building on Rt. 57 (Districts 4, 5, 6). All registered voters residing in Mansfield Township are eligible to vote.

WHAT IS A BOND REFERENDUM?

A bond referendum is an election when a Board of Education seeks voter approve to undertake capital improvement projects to a school and to finance such projects through a long term loan (a bond).

WHY DO WE NEED TO HAVE A BOND REFERENDUM?

A bond referendum is the only way that a Board can borrow money to finance capital improvements over a long period of time. Otherwise, major improvements can only be done in very small increments over multiple budget cycles.

WHY CAN'T THE DISTRICT JUST INCLUDE THESE PROJECTS IN ITS ANNUAL SCHOOL BUDGET?

The annual school budget currently has a 2% budget cap on the local tax levy. Given this restraint, it is very difficult to fit projects of this magnitude in an annual operating budget without harming the excellent academic programs that our students deserve. Certain building systems,

such as the roofs, HVAC systems, boilers, kitchen and toilet room equipment and fixtures and fire alarm systems, over time, just wear out regardless of continued annual maintenance. Because there is a “cap” on how much the regular operating budget can increase each year, major, costly replacements can not be undertaken through the annual budget.

Additionally once installed, such major replacements last a long time...many years. The Board would like to borrow for such improvements and spread the cost of the improvement over the generations that will use it rather than have the taxpayers pay for it in one year.

WHAT IS THE ANTICIPATED TIMELINE OF THE PROJECTS?

If the referendum were to pass, it may be necessary to stagger the projects over a couple of summers, to ensure that normal school operations are not impacted. We anticipate that the majority of the projects would be completed during the summer of 2015. Some of the projects may be completed in the summer of 2014 and 2016.

WHERE CAN I GET MORE INFORMATION?

Please contact Mary Roszkowski at (908) 689-3212, ext. 1185; visit our website – www.mansfieldelementary.org/bond or send your questions to referendum@mansfieldelementary.org if you need any information regarding the projects.

Additionally, all are welcome to attend a presentation at the Board Meeting on February 27, 2014 at 7:30 pm in the All Purpose Room at Mansfield Elementary School